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FISCAL IMPACT REPORT

SPONSOR Smith DATE TYPED 02/14/04 HB _____
 SHORT TITLE Hospital Property Compensating Tax Deduction SB 528
 ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(340.0)	(340.0)	Recurring	General Fund
	(85.0)	(85.0)	Recurring	Local Government

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 528 enacts a new section of the Gross Receipts and Compensating Tax Act for a compensating tax deduction for property used by hospitals licensed by the department of health; hospitals in counties with a population greater than 300,000 are excluded from the deduction (Bernalillo County).

Significant Issues

FISCAL IMPLICATIONS

In Fiscal Year 2003, hospitals paid nearly \$1.7 million in compensating tax. Approximately 75% of that total was paid by hospitals located in Albuquerque. Eighty percent (80%) of compensating tax revenue is distributed to the general fund and the remaining 20% is split evenly between the small cities and small counties assistance funds.

SN/lg